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SENATE BILL 2493 By  
Williams

HOUSE BILL 3060  
By Newton

AN ACT to amend Tennessee Code Annotated, Title 2, Chapter 10.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 2, Chapter 10, is amended by adding  
Section 2 through Section 7 of this act as a new part.

SECTION 2. As used in this act, unless the context requires otherwise:

(1) "Measure" means any proposal submitted to the people of the entire state, or  
any political subdivision of the state, for their approval or rejection at an election,  
including any proposed law, act or part of an act of the general assembly, or revision of  
or amendment to the constitution;

(2) "Contribution" means any advance, conveyance, deposit, distribution,  
transfer of funds, loan, loan guaranty, personal funds of a candidate, payment, gift,  
pledge or subscription, of money or like thing of value, and any contract, agreement,  
promise or other obligation, whether or not legally enforceable, made to a filing entity or  
made for the purpose of influencing a measure or nomination for election or the election  
of any person for public office. "Contribution" also includes any transfer of funds from a  
labor organization to a filing entity; compensation paid by any labor organization for  
personal services provided without charge to a filing entity; remuneration from any labor

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organization to compensate a legislator for a loss of salary or income while the legislature is in session; goods or services provided by a labor organization to or for the benefit of a filing entity at less than fair market value. "Contribution" does not include services provided without compensation by individuals volunteering their time on behalf of the filing entity.

(3) "Filing entity" means a candidate as defined in Tennessee Code Annotated, Section 2-10-102(2), political campaign committee, political issues committee, political party, and any other person required to report contributions under Tennessee Code Annotated, Title 2, Chapter 10, being the campaign financial disclosure act.

(4) "Fund" means the separate segregated fund established by a labor organization for political purposes according to the procedures and requirements of this part.

(5) "Labor organization" means any association or organization of employees, and any agency, employee representation committee, or plan in which employees participate that exists, in whole or in part, to advocate on behalf of employees about grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work. "Labor organization" does not include organizations governed by the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq.

(6) "Political purposes" means an act done with the intent or in a way to influence or tend to influence, directly or indirectly, any person to refrain from voting or to vote for or against: (A) any candidate for public office at any caucus, political convention, primary, or election; or (B) any measure.

SECTION 3. (a) Except as provided in subsection (b), a labor organization may not make a contribution to any candidate for public office.

(b)(1) A labor organization may make contributions to candidates if the labor organization establishes a separate segregated fund to be used for political purposes.

(2) The labor organization shall ensure that:

(A) contributions to such fund are solicited independently from any other solicitation by the labor organization;

(B) dues or other fees for membership in the labor organization are not used for political purposes, transferred to such fund, or intermingled in any way with fund monies;

(C) the cost of administering the fund is paid from fund contributions and not from dues or other fees for membership in the labor organization; and

(D) each contribution is voluntary.

(c) The labor organization has the burden of proof to establish that it has complied with the requirements of subsection (b)(2).

SECTION 4. (a) It is unlawful for a labor organization to make a contribution by using money or anything of value;

(1) secured by physical force, job discrimination, membership discrimination, or financial reprisals, or threat of force, job discrimination, membership discrimination, or financial reprisals;

(2) from dues, fees, or other moneys required as a condition of membership in a labor organization or as a condition of employment; or

(3) obtained in any commercial transaction;

(b) When the labor organization is soliciting money for the fund from an employee, it is unlawful for a labor organization to fail to inform an employee of the fund's political purpose and to fail to inform an employee of the employee's right to refuse to contribute without fear of reprisal.

(c) It is unlawful for a labor organization to solicit monies for the fund from any person other than its members and their families.

(d) It is unlawful for a labor organization to pay a member for contributing to the fund by providing a bonus, expense account, rebate of dues or other membership fees, or by any other form of direct or indirect compensation.

(e) A violation of this section is a Class A misdemeanor.

SECTION 5. Each fund established by a labor organization under this part shall:

(1) register as a political campaign committee as required by part 1 of this chapter; and

(2) file the financial reports for political campaign committees required by part 1 of this chapter.

SECTION 6. (a) Except as provided in subsection (d), an employee of any person, association, corporation, firm, local education agency, or municipal corporation within Tennessee may sign and deliver to his or her employer a written statement directing the employer:

(1) to deduct a specified sum in an amount not to exceed three percent (3%) per month from his wages or salary; and

(2) to pay the deduction to a labor organization or any other organization of employees as assignee.

(b) An employer who receives such written statement from an employee shall:

(1) keep such statement on file;

(2) deduct the specified sum from the employee's wages or salary; and

(3) pay the deduction to the organization designated by the employee.

(c) The deduction and payment of such sum by the employer to the assignee shall continue until the employee by written statement to the employer revokes or modifies such deduction.

(d) Notwithstanding subsection (a), an employee may not direct an employer to deduct monies from his wages and pay them to:

- (1) a political campaign committee;
- (2) a fund; or
- (3) any intermediary that contributes to a political campaign committee or fund.

(e) The provisions of this act shall not be construed to prohibit an individual from making a personal contribution to a political campaign committee or to a fund.

SECTION 7. In the administration and enforcement of the provisions of this part, the registry of election finance, created by Tennessee Code Annotated, Title 2, Chapter 10, Part 2, is vested with the same power and authority as is provided for its administration and enforcement of the provisions of Tennessee Code Annotated, Title 2, Chapter 10, Part 1 .

SECTION 8. This act shall take effect July 1, 1998, the public welfare requiring it.